



OKLAHOMA
Tax Commission

**GROSS PRODUCTION
REGISTRATION PACKET**

CONTENTS

This packet contains:

- General information
- Registration requirements
- Instructions for registering & bond information
- Registration forms

Once complete, return your registration packet to:

Oklahoma Tax Commission
Audit Services
P.O. Box 26740
Oklahoma City, OK 73126-0740

For questions regarding lease, well registration or 320 filings, please contact Gross Production via email at grossproduction@tax.ok.gov or by phone at 405.521.3674. Please provide your full name, phone number and email address.

GENERAL INFORMATION

This packet is to provide all necessary reference information, forms and instructions for registering a person or entity intending to engage in gross production in the state of Oklahoma. All necessary forms for registration will be attached or hyperlinked in this document.

REGISTRATION REQUIREMENTS

Section 68 Section 210 of the Oklahoma Statutes and Oklahoma Administrative Code (OAC) 710:45-1-3, any person, firm or association desiring to become a purchaser, or tax-remitter of oil or gas production from any well or lease in Oklahoma must obtain a Purchaser/Tax-Remitter Number from the Oklahoma Tax Commission (OTC). Purchases *must not* begin before approval by the OTC. Should purchases of oil or gas have begun *prior to* receipt of a Production Unit Number (PUN), all purchases must be reported to the OTC and the payment of gross production tax, petroleum excise tax and applicable penalties paid before the [Request for Assignment of OTC Production Unit Number](#) will be approved and issued.

DEFINITIONS

Commercial disposal well means a well where the operator receives and disposes of Class II fluids from multiple well owners/operators and receives compensation for these services and where the operator's primary business objective is to provide these services.

Commercial pit, also known as a **disposal plant**, means a disposal facility which is authorized by OTC order and used for the disposal, storage, and handling of deleterious substances or soils contaminated by deleterious substances produced, obtained, or used in connection with drilling, production and/or pipeline construction operations and waste oil, and/or waste oil residue.

Disposal well means a well which injects, for purposes other than enhanced recovery, those fluids brought to the surface in connection with oil or natural gas production.

First purchaser means any person who purchases or is entitled to purchase any product subject to the Oklahoma Gross Production Tax from the producer or operator of a lease located in this state.

Gross value of the production means the gross proceeds realized from the first sale of such production, including the actual cash value and all premiums otherwise given to or reserved for the producer and all interest owners of such production, without any deduction for costs whatsoever.

Month means calendar month, the period from the first day of the month to the last day, according to the established order of the division of time into years, months, weeks and days commonly recognized in the United States.

Non-Commercial Reclaimers (closed system).

Non-Commercial disposal means any disposal well that only the company that operates the well injects saltwater from their own operated wells. This does not require a license and any reclaimed oil can be reallocated back to the individual well from which the saltwater was derived and reported as regular oil, or they can apply and bond to obtain a reclaimer license and file any oil as product code 3 reclaimed oil. All commercial SWD or PLT have to report production as reclaimed oil product code 3 and the operator of the well is considered the purchaser and remitter on the license.

Operator means the person who is duly authorized and in charge of the development of a lease or the operation of a producing property.

Person means any person, firm, association, corporation or other legal entity. [See: Section 1001.2 of the Oklahoma Statutes]

Petroleum transporter means any person or firm owning, leasing or otherwise controlling the operation of any vehicle or conveyance, other than railroad cars or pipelines, used in the transportation of measurable amounts (1% or more by volume) of any product subject to the gross production tax.

Purchaser means any person who acting alone or jointly with any person or persons, via his own, affiliated or designated carrier, transporter or taker, shall directly or indirectly purchase, take or transport by any means whatsoever or otherwise remove from any lease, oil or gas, and/or other hydrocarbons produced from any common source of supply in this state, excepting royalty portions from leases owned by that person.

Reclaimed oil means any petroleum, crude oil, mineral oil or other liquid hydrocarbons recovered from tank bottoms, pits, salt water or other source where such oil is not reported to the OTC by either its producer or purchaser of record, as shown on Form 320A or 320C on file with the OTC, as part of the production of the lease from whence it was produced. Oil or other liquid hydrocarbons blended with reclaimed oil before, during or after the reclaiming process shall be considered reclaimed oil.

Reclaimer means any person or firm who buys, salvages, reclaims or processes oil from the waste products associated with the production of oil or gas, including but not limited to salt water and the residue from oil storage tanks. Any person operating a reclaiming plant, pit or disposal facility where oil or other liquid hydrocarbons are salvaged or recovered.

Reclaiming plant means any facility used for the recovery or salvage of oil or other liquid hydrocarbons from oilfield wastes or contaminated stocks by heating, flotation, chemical treatment, mechanical or other means except lease operations. It shall include any pit or water disposal system, pursuant to OAC 710:45, where oil is recovered except where such oil is reported to the OTC, and gross production Taxes paid thereon, as production from the lease or leases from whence it was actually produced. No pit or disposal well open to the public shall be exempt from the licensing requirements contained herein.

Tank bottoms means the mixture of oil and BS&W (basic sediment and water) that collects or settles in the bottom portion of lease or other oil storage tanks. Tank bottoms may be called BS&W. Salt water from salt water storage tanks shall not be shown on load tickets as tank bottoms or BS&W unless it contains 1% or more oil content by volume. [See: Section 1013 of the Oklahoma Statutes]

Transporter, also known as petroleum transporter, means any person of firm owning, leasing or otherwise controlling the operation of any vehicle or conveyance, other than railroad cars or pipelines, used in the transportation of measurable amounts (1% or more by volume) of any product subject to the gross production tax.

INSTRUCTIONS FOR REGISTRATION

Applicants to become a purchaser/remitter, reclaimer, transporter, or operator/remitter must provide the following:

- Business registration form,
- The estimated monthly volume and value of anticipated purchases,
- [Surety bond](#) form or [Pledge of account](#) form, also known as a certificate of deposit, and
- A copy of the business entity registration with the Oklahoma Secretary of State, or a state of incorporation, and a copy of the Federal SS4 approval letter.

The operator only must provide the following:

- Business registration form, *and*

- A copy of the business entity registration with the Oklahoma Secretary of State, or a state of incorporation, and a copy of the federal SS4 approval letter.

Below, you will find registration and bonding instructions specific to your application category, if applicable.

Purchaser/Remitter

In addition to the business registration, application must be made by letter, requesting tax-remitter status and signed by the owner, a partner or corporate officer of the company. Effective May 2013, purchaser changes are no longer required to be reported by producer/remitters of active wells, except for secondary or tertiary units. Operators should provide the purchaser with either an approved [Request for Assignment/Change of Merge Number for Corporation Commission Approved Unit](#) form or an OTC approval letter. Both should state the special instructions for reporting the unit's production.

See the bonds and surety information section of this packet to obtain bonding requirements and instructions. Purchaser/Remitters can obtain the appropriate PUN for the reporting and remittance of gross production tax from the [public PUN search](#). The registration and application forms, along with the original bond, should be mailed to the address found listed on page 1 of this packet.

Reclaimer

The business registration and [Application for Reclaimers License](#) forms are required for registering as a Reclaimer. See the **Bonds and Surety Information** section of this packet to obtain bonding requirements and instructions. Saltwater disposal and/or plant PUN's cannot be transferred. A new PUN will be issued upon change of ownership. The registration and application forms, along with the original bond and applicable fees, should be mailed to the address listed on page 1 of this packet.

Transporter

The **Gross Production Business Registration** and [Application for Transporters License](#) forms are required for registering as a transporter. See the **Bonds and Surety Information** section of this packet to obtain bonding requirements and instructions. The registration and application forms, along with the original bond and applicable fees, should be mailed to the address found listed on page 1 of this packet.

Operator Only

The business registration and [Request for Assignment of OTC Production Unit Number](#) or [Gross Production Request for Change](#) forms are required for registering as an operator only. You will be able to complete your registration with the OTC using the five-digit number issued to you by the Oklahoma Corporation Commission (OCC). The [Request for Assignment of OTC Production Unit Number](#) is required to register new leases, while the [Gross Production Request for Change](#) is required when changing legal description, operator, products, well status, and/or effective dates. Both may be filed [online](#) once your registration is complete. Additionally, there is an option for filing mass operator changes with one form. You may receive an automatic approval of your request, including an assignment of the PUN.

An acknowledgement displays on-screen, and the 320A or 320C form will be available for printing. Be sure to print the approved form, as it will not be mailed to your company or those purchasing product from the well.

Failure to submit the required 320 form(s) may result in penalties being assessed in accordance with Section 1010(1)(2)(3)(d) of the Oklahoma Statutes Supp 1991. Separate penalty may also be assessed for failure to

respond to a written demand for information within 30 days. The registration and request forms should be mailed to the address listed on page 1 of this packet.

Operator/Remitter

In addition to the business registration, an application must be made by letter, requesting tax-remitter status and signed by the owner, a partner or corporate officer of the company. Effective May 2013, purchaser changes are no longer required to be reported by operator/producers of active wells. Therefore, Item C4 of the [Gross Production Request for Change](#) form should now only be used to report changes of operator, secondary or tertiary units. The form may be filed via our [electronic 320 filing system](#), or may be filed by paper and mailed to the address found on page 3 of this packet.

You will be able to complete your registration with the OTC using the five-digit number issued to you by the OCC. [Request for Assignment of OTC Production Unit Number](#) is required to register new leases, while the [Gross Production Request for Change](#) is required when changing legal description, operator, products, well status and/or effective dates. Both may be filed [online](#) once your registration is complete. Filing online includes an option for filing mass operator changes with one form. When filing online, you may receive an automatic approval of your 320A or 320C, including an assignment of the PUN. An acknowledgement displays on-screen, and the 320A or 320C form will be available for printing. Be sure to print the approved form, as it will not be mailed to your company or those purchasing product from the well.

Failure to submit the required 320 form(s) may result in penalties being assessed in accordance with Section 1010(1)(2)(3)(d) of the Oklahoma Statutes Supp 1991. Separate penalty may also be assessed for failure to respond to a written demand for information within 30 days.

See the bonds and surety information section of this packet to obtain bonding requirements and instructions. Purchaser/remitters can obtain the appropriate PUN for the reporting and remittance of gross production tax from the operator or the [public PUN search](#).

The registration and application forms, along with the original bond, should be mailed to the address listed on page 1 of this packet.

BONDING INFORMATION

In addition to submitting all applicable forms for approval, a surety bond or pledge of account must be secured and included within the mailing. Below, you will find bonding requirements for each application category.

Purchaser/Remitter

The required bond is three months' estimated tax liability for purchaser/tax-remitter, whether bonding a new entity or taking over a company. For a pledge of account, a minimum of one year, payable to "company or Oklahoma Tax Commission," must be obtained. Note: Both names must be referenced on the certificate, joined by the word "or."

Reclaimer

The license requirement for a reclaimer is \$150 per three year license. Additionally, bonding for a Saltwater Disposal Well (SWD) is \$2,500 per license, with a max of \$10,000. Finally, the bond for a saltwater disposal plant (PLT) is \$10,000 per license, with a max of \$50,000.

Transporter

The bond requirement for a transporter is \$1,000.00 per license. Only one license is required per company. The license fee is \$150, which includes one cab card. Additional cab cards are \$5 each.

Operator/Remitter

The required bond is three months' estimated tax liability for an operator/remitter, whether bonding a new entity or taking over a company. Operator/producers may only remit for gas, with prior OTC approval. A justification must be provided for the request. For a pledge of account, a minimum of one year, payable to "company or Oklahoma Tax Commission," must be obtained. Note: Both names must be referenced on the certificate, joined by the word "or."

FORMS

The following is a list of the forms found referenced within this packet and are attached in the order listed below:

Registration form

[Application for Transporters License \(309A\)](#)

[Application for Reclaimers License \(309B\)](#)

[Request for Assignment of OTC Production Unit Number \(320A\)](#)

[Gross Production Request for Change \(320C\)](#)

[Request for Assignment of Merge Number \(320U\)](#)

[Gross Production Tax \(Surety\) Bond \(BT-158\)](#)

[Pledge of Account \(BT-167\)](#)